

**Utah Insurance Department**  
**Content Standards**  
**Group Credit Life and Credit Accident and Health Insurance**

NOTE: These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all-inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). The comments are a brief synopsis of the referenced material and do not contain all requirements or exceptions. All references should be reviewed for compliance. **As required by U.C.A. § 31A-21-201(2), the insurer is responsible for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.**

GENERAL REQUIREMENTS		
Accurate, Consistent & Complete Filing Data	31A-2-202(6) R590-228-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values. Failure to comply may subject the insurer to the enforcement penalties under 31A-2-308.
Application, Enrollment Form	31A-21-201(3)	Questions concerning health information must be specific and must reference a reasonable time frame in relation to the health condition.
Autopsy & Physical Exam	31A-22-417	Autopsy and/or physical examination must be at the company's expense.
Benefits in Excess of Pay Off	31A-22-806(2)(f)	Benefits in excess of pay off (gross amount above net pay off) must be paid to a beneficiary other than creditor.
Claims Settlement	31A-26-301(1) R590-191-4	All proceeds and claims settlement provisions must provide for prompt claim handling. Interest must be paid if the claim is not settled within 15 days of completion of the investigation.
Coverage Types	31A-22-801 R590-91-5 R590-91-7 R590-91-12	Credit insurance types are defined. All benefit types must be identified and clearly described in the policy and certificate, such as gross or net coverage, full term or truncated term.
Coverage Name and Description	31A-21-201(3)(a)	The coverage name or title, a brief description of the coverage and special features must be disclosed on the policy and certificate.
Coverage is Optional Disclosure	31A-22-809 R590-91-12	Debtor has the right to choose other insurance. Disclosure must comply.
Data Page	R590-228-7	The data page must disclose the specific data for the coverage including the benefits, amounts, durations, premium information, and any other benefit data applicable to the insured.
Death Benefit	31A-21-201(3)(a)	The death benefit proceeds must be clearly described.
Definition of Disability	R590-91-7(6)	Definition must comply as to insured's inability to perform principal duties of own occupation and thereafter to perform principal duties of any occupation for which the insured is reasonably fitted.
Delivery	31A-22-806(3)	Certificate must be delivered within 30 days after indebtedness is incurred.
Disclosure to Debtor	R590-91-12	All eligibility requirements, age restrictions, insufficient coverage, and exclusions must be clearly and prominently disclosed in the policy and certificate. Disclosure is required if insurance is insufficient to pay off scheduled outstanding loan at any time.
Effective/Beginning Date	31A-22-805	Beginning date of insurance must be disclosed and in compliance with requirements.
Entire Contract Provision	31A-22-424	Entire contract provision defines the documents and agreements that constitute the entire contract between the insurer and the policyholder.
Exclusions and Limitations	31A-21-201(3) 31A-22-806(2) R590-91-6 R590-91-7 R590-91-12	Any exclusion, restriction or limitation must be in compliance and must be clearly and prominently disclosed in the policy and certificate. (a) Pre-existing condition; (b) Pregnancy; (c) Suicide No exclusion for terrorism is allowed.
Expiry Date, Renewal Dates	31A-21-301(1)(f)	All dates must be clearly described.

Filing of Forms	31A-21-201 31A-22-807 R590-91-4	Utah is a "FILE AND USE" state for forms. It is the insurer's responsibility that the filing is in compliance with Utah Code and rules. Every form filing must include applicable rate schedules. It is grounds for disapproval if the benefits provided are not reasonable in relation to the premium charge.
Form Number	31A-21-201(3) R590-228-7	A distinct form identification number must appear on the form.
Grace Period	31A-22-513	Grace period entitles the policyholder to at least a 31-day grace period during which the coverage continues in full force.
Incontestability	31A-22-514	The policy is incontestable after it has been in force during the lifetime of the insured for two years. The code does not allow an exception for fraud; the code does not allow an extension of time for any period that the insured was disabled.
Insurer Name and Address	31A-21-201(3)(a)(iii) 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy and application.
Legal Actions and Limitation of Actions	31A-21-313 31A-21-314	Such provisions may not restrict the right of action against an insurer to earlier than 60 days and no more than three years from the date the cause of action accrues. The provision may not deny Utah court jurisdiction.
Limitation on Amount of Insurance	31A-22-804	The initial amount of credit life insurance may not exceed the total amount repayable on the indebtedness.
Notice of Proposed Insurance	31A-2-806(4) 31A-22-805	Notice of Proposed Insurance must list all required items to be in compliance with requirements of 31A-22-806(4).
Premiums	31A-22-806	Premiums and the method of premium charge are disclosed in the certificate separately for life and accident and health.
Pre-existing Exclusion	R590-91-6 (Life) R590-91-7 (A&H)	(a) Credit Life: A pre-existing condition exclusion is restricted to <u>open-end credit plans only</u> for treatment the insured received within six months preceding the effective date and which caused the death within six months following the effective date. Such exclusion may apply ONLY where NO evidence of insurability is required. (b) Credit Accident & Health: A pre-existing condition exclusion is restricted to conditions for which the insured received treatment within six months preceding the effective date and which caused loss within six months following the effective date.
Proof of Loss	31A-21-312 Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision <u>may not</u> state that in no event except in the absence of legal capacity, may proof be filed later than the time required in the policy.
Rates	31A-22-807	Rates are considered file for approval.
Refund Procedures and Formulas	31A-22-808 R590-91-8	Refund formulas must be appropriate for each type of coverage and must be in compliance with the code and rule. The formulas must be filed with the forms.
Reservation of Discretion	R590-218	The use of reservation of discretion clauses in forms that are not associated with ERISA employee benefit plans is prohibited.
Sample Data	R590-228-7	The policy and certificate specifications page(s) must be completed with rates and data consistent with the actuarial memorandum and the schedule of rates.
Suicide Exclusion	R590-91-6B(1)	Suicide exclusion must be limited to one year. The policy and certificate must provide for return of premium.
Unfair, Misleading, Deceptive Provisions	31A-21-201(3)	Provisions may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The policy may not contain inconsistent, ambiguous or misleading clauses, or contain exceptions and conditions that unreasonably affect the benefits purported to be provided in the general coverage of the contract.
Variability - (bracketed data)	31A-21-201 R590-228-6 R590-228-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets must be refiled prior to use.

### RATING REQUIREMENTS

Premium Rates	31A-22-807 R590-228-6	Every form and/or rate filing must include a complete schedule of rates for each type of coverage, duration, and method of premium charge.
Submission of Rates	R590-91-4 R590-228-6 31A-22-807	When filing a form, the rate(s) and all supporting actuarial documentation must be included. Rates are considered file for approval.
Deviated Rates	31A-22-807 R590-228-8	Rates submitted higher than prima facie rates or rates on file are subject to approval based on a demonstration of compliance that the rates submitted produce a loss ratio in excess of the minimum loss ratio standard by five percentage points or more.

### ACTUARIAL DOCUMENTS

Detailed Description of Coverages, Premium Charges, Refund Formulas, & Certification of Compliance	31A-22-801(2)(a) 31A-22-807 R590-228-8 R590-91-5 R590-91-6 R590-91-7 R590-91-10	<p>The memorandum must be signed and dated by an actuary. The memorandum must include a detailed description of the following:</p> <ul style="list-style-type: none"> <li>a. Types of coverage (gross, net, decreasing, level, single/joint life, full term, truncated, etc.)</li> <li>b. Types of loans (open end, closed end)</li> <li>c. Durations of loans</li> <li>d. Durations of coverages</li> <li>e. Methods of premium charges (single premium, monthly outstanding balance)</li> <li>f. Rate schedules, methods of calculation and formulas (see below)</li> <li>g. Refund Formulas (see below)</li> <li>h. Reserve Bases and Methods (see below)</li> <li>i. Certification of Compliance with Utah laws and rules</li> </ul> <p>All benefits must be reasonable in relation to the premium charged. Include documentation and demonstration of compliance.</p>
Rate Schedules, Methods of Calculation, and Formulas	31A-22-807 R590-91 R590-228-8 Bulletin 2002-02	<p>Explain the method of premium calculation in detail. If the company does not have a rating schedule on file, then the filing must identify whether the rates are Utah published prima facie rates. If rates are other than Utah prima facie rates, explain and demonstrate how such rates are in compliance. Premiums must be reasonable in relation to benefits.</p> <p>NOTE #1: Every filing must indicate whether the Company has a rating schedule on file. If so, all rates submitted must be the same as those on file for that type of coverage and premium method.</p> <p>NOTE #2: Pima facie rates for credit accident and health for open-end loans must comply with R590-91-7A(7)(a).</p>
Refund Formulas	31A-22-808 R590-91-8	Refund formulas for all coverages must be disclosed and in compliance.
Reserve Bases and Methods	R590-91-4	Reserve methods must be in compliance.